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ENGLISH

APPROVAL OF UNCDF ASSISTANCE TO A PROJECT OF
VIETNAM
(IPF: (1987 - 1991) $107 300 000
(VIE/90/C01) - Power Supply in the Quang Nam Da Nang (QNDN)

Date of approval by the AC:[1]	12 June 1991
Expected duration:	Three years
Proposed co-operating agency:	UNDP-OPS
Government implementing agency:	Danang Province People's Committee
Proposed UNCDF contribution:	$3 677 800 Source of funds: General Resources

Project background

The above-mentioned project is part of a UNCDF-funded infrastructural "package" for the development of the Dai Loc District, a food-deficit and poorly served hill district of the Danang Province, with a total population of 136,000. Two other projects in the "package", cover the development of a 2,600 hectares gravity-fed irrigation scheme and the improvement of the district's roads networks.

Description of project

The project directly contributes to the first of the current National Plan's development objectives: "increase in domestic food production", by providing infrastructural support for the extension of irrigated agriculture.

The project is also part of a nation-wide effort to maintain, rehabilitate and expand the country's basic infrastructure, whose present level of deterioration and underdevelopment seriously limits the economy's response to the structural reforms recently introduced.

The project will extend the coverage and improve the reliability of power supply in the Dai Loc district, to: (a) provide 100 percent of the power requirements of 20 existing electricity-based pumpstations irrigating an area of about 1,600 hectares; (b) allow the conversion to electricity of existing charcoal and diesel pumps in 10 pumpstations irrigating about 800 hectares; (c) supply electricity to the UNCDF-funded pumpstation serving 400 hectares in the Khe Tan scheme, that cannot be irrigated by gravity; and (d) create the basis for a rapid diffusion of electric pump-based irrigation on additional 1,000 hectares throughout the low lying agricultural areas of the district.

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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Additionally, the project will increase the overall generating capacity of the Da Nang network and improve the reliability of supplies and the efficiency of production of electricity through the network.

Under its four constitutive components the project will undertake: (1) Power Generation to install 8.4 MW of additional generating capacity in the Da Nang power supply system and increase by 58,800 MWh (+40%) the annual electricity output of the system; (2) Transmission and Distribution to extend by 30 Km, the 35KV transmission lines and by 37.7 Km., the 15KV distribution lines of the Da Nang network to serve the Dai Loc District; (3) Network Integration to integrate into the Dai Loc network the micro-hydropower stations of Dai Quang, Song Cung and Dia Dong and increase their total capacity by about 570 Kw.; and (4) Introduction of International Standards in Construction Contracting to disseminate to local private sector contractors basic information on bids preparation and train two PC#3 engineers in project planning and mechanical/electrical construction contracts administration.

Inputs

UNCDF will finance all project components in their entirety, with the exception of the "power generation" component where it would cover only one out of the four required large diesel generators. The remaining three diesel generators will be funded from an additional external contribution currently under negotiation. Because of the still unsecured additional contribution, the project has been designed to facilitate both the mobilization and quick use of further resources and the immediate implementation of a UNCDF-funded portion as a self-standing economically and socially attractive investment.

Financial data

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Formulation and Consultants Costs	150 000
Engineering Services	246 800
Electrical and Civil Works	1 636 000
Equipment and spare parts	936 900
Physical Contingencies	296 975
Financial Contingencies	164 200
OPS Support Costs	144 000
UNCDF Support Costs	102 900
Total	3 677 800

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